

The Regulations Process: An Overview for AMCO Boards and Staff

June 2025

This section is intended to provide you with insight into the purpose and use of regulations and a general, high-level overview of the State of Alaska regulations process. The full regulations process is explained in detail in the *Drafting Manual for Administrative Regulations*, which is located online at http://law.alaska.gov/doclibrary/drafting_manual.html.

The flow charts and narrative in this guidance will summarize the processes of regulation adoption—keeping in mind the process is ultimately supervised by the Department of Law.

Why Regulations and What Are They?

To understand regulations, you must first understand statutes. **Statutes are state laws that authorize and set out the scope of a board or commission's governance authority of a licensing program.** A board's power to adopt regulations starts with the Alaska State Legislature. As part of its law-making power, the legislature may delegate, by statute, the authority to create rules and standards to executive branch agencies, boards, and commissions. These rules and standards are regulations, adopted by boards to supplement laws passed by the legislature and enacted into law.

Statutes often make it clear that the legislature expects the entity to adopt regulations by stating the agency "shall" adopt regulations to set program standards. Other times, statutes authorize but do not require regulations, by stating the agency "may" adopt regulations. A regulation has the force and effect of law only if the agency has the statutory authority to act and if it adopts, amends, or repeals the regulation using the proper procedure.

A regulation is:

- a standard adopted by a state agency to either implement, interpret, or make specific a law/statute; or
- govern the agency's procedure, but not its internal management; and
- that affects the public or is used by the agency in dealing with the public.

Is It a Regulation or a Policy?

Frequently, a board may have the need to interpret its statutes or regulations for the public. This is often experienced in the form of a question: "Am I allowed to do X," "Are licensees allowed to perform Y," or "Do I need Z to qualify for a license?"

Boards are obliged by state law to interpret their practice acts and other statutes and regulations within their purview. They cannot ignore these questions or fail to clarify information needed by licensees or the public pertaining to licensure of their profession(s). So, they are posed with the job of navigating waters that may be murky at best, and tumultuous at worst. Calling on procedural partners within the division, department, or Department of Law is necessary to complement the board's subject-matter expertise.

In these situations, boards have several options for responding, depending on what their program's statutes and regulations say. Options for responding may include asking staff to respond with a straightforward email message restating an existing statute or regulation. If the question is asked frequently, the board may decide to publish a position, guideline, or FAQ on its web site. If the answer

to the question is unclear, or if it needs to be defensible, the board may wish to adopt a regulation to provide that unequivocal clarity. But, how does the board know which approach is appropriate?

A black-and-white rule that unequivocally dictates what discipline will be imposed for a particular infraction is a de facto regulation. To be applied without deliberation or consideration of mitigating circumstances, it must be adopted as a regulation. Guidance that suggests an interpretation but is not something the board would enforce or defend can be adopted as a policy, position, or FAQ. Any interpretation must be aligned with existing statutes and regulations unless amending those regulations.

If a board finds that its statutes are not clear, it should request a legislative change. Lack of clarity in law is frustrating to board members, licensees, and the public. If acted upon, it may create financial hardship for the licensee and legal troubles for everyone. A board member who interprets law incorrectly could find themselves relieved of their personal immunity and subject to legal penalties. While this is an extreme example, it is important to keep in mind. Board members can protect themselves (and their licensees) by acting as a body and utilizing sound resources in arriving at their decisions.

REGULATIONS **VS** POLICIES



REGULATIONS ARE LAWS
Must be followed, are not optional, and can be enforced.



POLICIES ARE IDEAS
General and nonbinding guidance; do not have the force of law.

Can only be amended through the formal adoption process in AS 44.62.

Can be adopted or amended by board vote.

A disciplinary matrix is a regulation if it is an inflexible "if-then" formula requiring consistency in all instances.

A disciplinary matrix is a policy if it is used as a reference point along with consideration of the facts and relevant statutes and regulations.

REGULATIONS AND POLICIES SHOULD BE CHARACTERIZED BY:

CLARITY: Available and understandable to everyone

CONSISTENCY: With statute, regulations, and board communications about similar facts

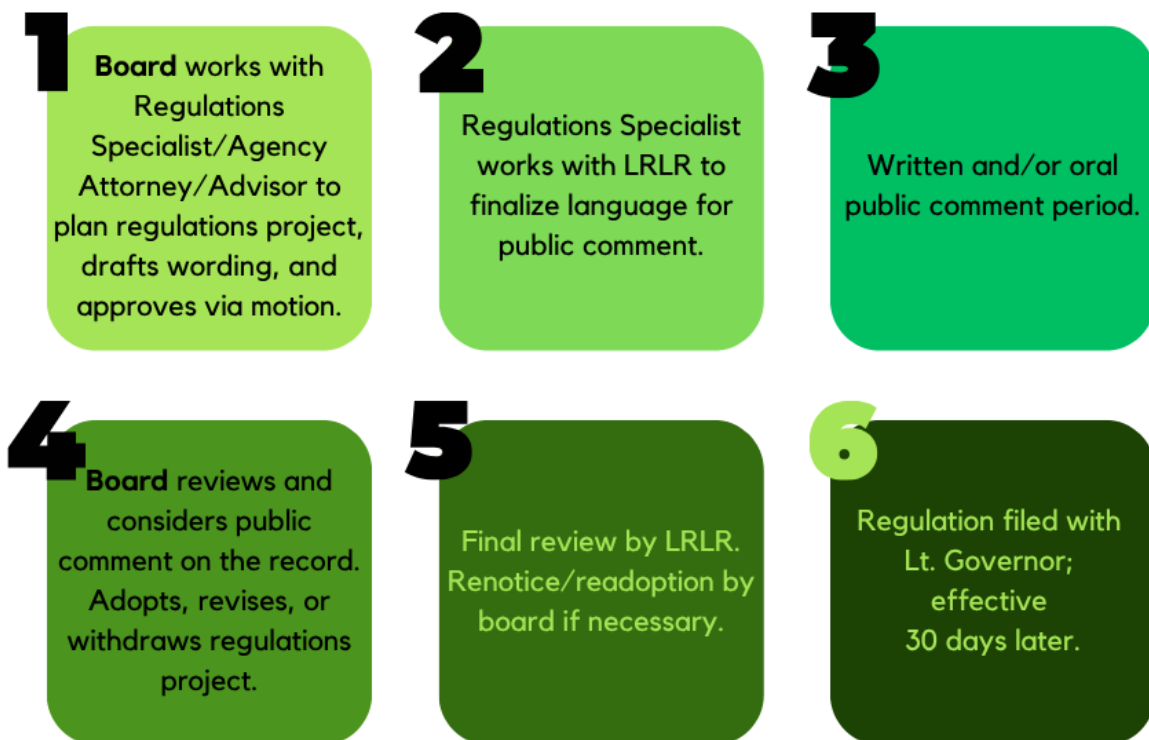


Overview of the Regulations Process

The regulatory procedures for boards are set out in the Administrative Procedure Act (APA) in AS 44.62.040 - 44.62.290. These procedures are designed to ensure the public is notified and afforded an opportunity to meaningfully comment on an action before it is adopted as a final regulation. These steps are outlined below and codified in the *Drafting Manual for Administrative Regulations* referenced above.

The regulations specialist is an AMCO employee who is trained to assist in drafting regulations and moving them through the adoption process. The department boards and regulations advisor can assist the board in evaluating the need for regulations, the statutory foundation for the regulations, and options in moving forward with the process. At any point in the process, they may also request agency attorney advice independently or on behalf of the board.

Board Regulations Process *simplified*



Planning and Preparation

IDEAS

A regulation project begins with an idea for regulatory change. An idea may come through any number of sources: statute change, stakeholder suggestion, committee recommendation, shifts in industry education or practice standards, or others. In developing an idea, boards and regulatory staff are welcome to consult with their agency attorney within the Department of Law to determine whether the concept for a regulation is necessary to effect the intended change and within the agency's statutory authority.

TIMING

After determining that a concept is appropriate for a regulation, the board should consider timing needs and deadlines for completing the project, including statutory or federal deadlines; division's timeline for form development or other administrative impacts; complexity of the project requiring extensive legal review; availability of board to perform their role; public comment or filing windows, among others.

COSTS

In addition to timing, a board must consider potential costs of a regulation project. These costs may be to the board or agency, public groups, or individuals such as licensees. Estimating costs in advance will help the agency complete the paperwork that accompanies the public notice.

PUBLIC INPUT

When a board identifies the need to propose a regulation to implement, interpret, or make specific a state statute, the board should begin organizing its collective thoughts on the matter at a publicly noticed meeting. If the subject matter is highly technical or complex, it may be helpful for the board to form a public working group from among its members. That group may engage in fact-finding for the purpose of sharing what it has learned with the entire board at an appropriate meeting.

Drafting

The maker of the motion to propose amendment, adoption, or repeal of regulations should provide the board with a written draft of the proposal. It is the board's responsibility to be certain that the record reflects what the board intended. This means that the board should articulate what it is hoping to accomplish with the project, and it should carefully review written drafts to ensure that the language conveys what the board intended. It is the board's job to provide at least the initial draft of language for a proposed regulation or amendment to regulation. Before getting too deep into the drafting process, staff should request assistance from the regulations specialist.

If complex, the director may want the agency attorney to review the proposal for content prior to opening a file with the Legislation, Regulations, and Legal Research Section of Department of Law (LRLR).

The board will propose regulations by one or more motions on the record:

- *Required:* I move to initiate a regulations project regarding _____ by approving the following language for public comment, unless substantive changes are made by the regulations specialist or Department of Law: (Follow with a reading of the proposed language.)
- *Optional:* I move to approve an oral hearing to receive public comment on the proposed regulations. (The board should establish that date so a meeting can be scheduled and the date published with the regulations public notice.)
- *Optional:* If the board wants a public notice period longer than 30 days, it should include the time frame in the motion.

All meeting minutes should reflect the wording of the regulations either in the body of the motion or as an attachment that is appended to the minutes. Failing to clearly articulate in the official record the language the board is approving may jeopardize the entire project.

File Opening and Department of Law Preliminary Review

Once an initial draft has been created and is ready to move forward, the regulations specialist will open a file with LRLR. This starts the official administrative review. The board will need to tell the regulations specialist its upcoming meeting dates, when it would like to publish the public notice, the reason for any urgency, and the requested effective date. All notice documents must be submitted to the Department of Law by the regulations specialist at this time, so the board should discuss them before moving forward with a project. The first section of the "Regulations Project Opening Questionnaire" should be completed by the board to ensure all potential licensee or industry questions and impacts are

anticipated and answered. The “AMCO Regulations Process Checklist” provides step-by-step guidance on the responsibilities of the board, director, and the regulations specialist.

The preliminary review is designed to ensure the regulation is within the scope of regulation-adoption authority, is consistent with statutes, is reasonably necessary to carry out the purpose of the statute, is valid under the state and federal constitutions, and is *technically* correct. This investment at the beginning of the process will reduce the amount of review that was previously required at the end of the process. The preliminary review is expected to take at least 60 days; boards should plan for a longer window in case the review is delayed by competing priorities or availability of attorneys.

If, after review, the Department of Law, director, or regulations specialist makes substantial changes to the board’s proposal, it will need to be reviewed and re-approved by the board using the motion: “I move to adopt the proposed regulations regarding _____ as amended.”

Public Notice and Comment

A significant step in the APA requires that the public receive notice of a proposed regulation and an opportunity to comment on a proposed regulatory action. This ensures that the public and interested parties—predominantly licensees and prospective licensees—are aware of the proposed changes affecting their programs and provides adequate opportunity to comment on them. By ensuring public notice and ability to comment, the APA’s procedures support the public’s vital role in the regulations process.

Under the APA, the public must have a minimum of 30 days to comment (either orally, in writing, or both) on proposed regulations. During the comment period, the regulations specialist should publish the Project Opening Questionnaire prepared by the board on the website, as well as answers to questions from the public on the proposed regulations received in writing unless the questions are received within 10 days before the close of the comment period; in that case the staff may, but is not required to, answer the questions. If the board intends to hear public oral testimony on the proposal, that date must be included in the public notice. If it is not included in the public notice, a subsequent notice must be completed before the oral testimony can be heard.

Due to Alaska’s small population, board members may be easily accessible to their licensees and public stakeholders. Board members must remember that comments on proposed regulations must be received as requested in the notice of proposed regulations. Discussions about regulations projects, once opened by the board, may only happen on the public record during a board meeting.

Board members may not receive comments directly via email, text, in the clinic, at the lodge, in the hair salon, or in the grocery store. When well-meaning members of the public offer input, thank them for their interest but remind them that they should submit their comment as directed in the public notice.

The board must review and take all oral and written comments into consideration before voting to adopt the proposal. Written comments that are received by the regulations specialist during the public comment period as set out in the notice of proposed regulations are provided to the board to deliberate during a public meeting. All oral comments must be received during an oral hearing that was included in the regulations public notice—not during public comment at a different meeting and not outside of the meeting.

Adoption

After deliberating public comment, if the board chooses to substantially amend its proposal, it must go out for another 30-day public comment period. The Department of Law can review whether the amendments to the proposed regulations would require a new notice and comment period. If there are no changes—or if the changes are minor and do not alter the meaning of the regulations—it may then be adopted and forwarded for final review by the Department of Law.

Department of Law Final Review

The final review includes an analysis of the process to ensure it was sound and a legal analysis to ensure any necessary technical edits are completed. If the regulations attorney does not approve the proposal, it will be returned for collaboration on how to become compliant. Further public notice, edits, or readoption may be required.

Minor changes may also be made by the Department of Law at this stage and may not be sent back for board review. It is important that the regulations specialist and director review these changes to ensure they harmonize with the board's intent. They may need to check with the board chair or call a board meeting to review.

The regulations attorney is an official position codified in state law (AS 44.62.125). The regulations attorney is the head of the LRLR Section and must ensure all regulations conform to standards and comply with state statutes. The regulations attorney may find that board proposals do not align with laws and must be revised or rejected. This is usually identified by the agency attorney or the LRLR attorney assigned to the project early in the process. Once the regulations have been approved by the regulations attorney, the regulations are transmitted to the Office of the Lieutenant Governor for filing.

Filing by the Office of the Lieutenant Governor

Once signed by the Lieutenant Governor or the Lieutenant Governor's designee, the regulation will become effective in 30 days *unless* another effective date is specified in the adoption order or certification of adoption. The Lieutenant Governor can only return regulations to the agency if they are "inconsistent with the faithful execution of the laws" (AS 44.62.040(c)). Typically, once the regulation has been filed, the effective date is known and can be relied upon.

Posting Online Summary

The regulations specialist will file the text or a summary of the regulation on the Alaska Online Public Notice System. It should also be posted on the board's web site. If regulations dramatically change the landscape of regulation, require compliance in a short window of time, or have been of particular interest to stakeholders, and announcement can be emailed or mailed to the interested party list and/or voluntary list serv, as applicable. It may also be useful to go over complex or controversial changes on the record at a board meeting to ensure public understanding.

A typical board or commission regulations process can take six months or longer, depending on the effectiveness and efficiency of the board, the workload of the regulations specialist, the complexity of the project, and how the project fits into the workflow of the agency and regulations attorneys with the Department of Law.

Common Pitfalls & Concerns

It's not surprising that this very specific legal process invites some common snags when implemented. Here are a few to consider when working with your board on regulations:

Pursuing Regulations Without Statutory Authority

Board members don't always know or understand what their statutes lay out as the parameters of the program. Boards may try to pursue adding requirements or updating what licensees may or may not do when statute does not extend them that authority. When boards initiate a regulations project, staff and their attorney should always encourage them to locate and discuss the statute(s) that relate to the topic before drafting a regulation. They may wish to consult with their attorney, board advisor, or regulations specialist before proceeding.

Not Inviting the Regulations Specialist to the Discussion

In addition to helping identify the board's statutory authority, the regulations specialist is your best ally in efficiently drafting a regulation that makes sense. When you invite the regulations specialist to listen

to the conceptual discussions, she can better understand what the board is trying to accomplish. This results in laser-focused drafts that are produced more quickly and with fewer revisions.

Board Member Wordsmithing

Another benefit to engaging the regulations specialist early in the process is to relieve the board of the compulsion to emulate the regulations style manual. The best use of the board's time is to discuss—and ultimately include in its motion on the record—the content of what it is trying to accomplish. They may also need to clarify any industry terminology. The regulation specialist can put the board's ideas into the proper format and style. This saves the board a lot of time.

Taking Comments Without Public Notice

Sometimes, a board's desire to be open and inclusive can backfire. Public comments on regulations must only be entertained during a hearing that was included in the regulations public notice. This is discussed elsewhere in this document, but it bears repeating here. A chair should redirect individuals who attempt to offer comments on open regulations projects during a typical public comment section of a meeting. An oral hearing on regulations is a different creature and should be treated carefully and intentionally at the beginning of the process. If an oral hearing was not noticed properly, the board may schedule one in the future (and ensure it is properly noticed) or it must direct commenters to provide their thoughts to the regulations specialist during the written public comment window.

Not Taking a Roll-Call Vote

State statute requires the votes of individual board members to be apparent on the record. A roll-call vote is important for all substantive motions—especially those involving regulations. This ensures that all members have had the opportunity to affirm their position, which should be captured in the minutes.

Not Including the Wording of the Regulations in the Minutes

All meeting minutes should reflect the wording of the regulations either in the body of the motion or as an attachment that is appended to the minutes. Failing to clearly articulate in the official record the language the board is approving may jeopardize the entire project.

Adopting Position Statements Instead of Regulations

As discussed earlier, if a board wants its standards to be enforceable, they must be codified in statute or regulation. Sometimes boards will adopt position statements or write FAQs or white papers for their web sites. Commonly, these documents are drafted in response to scope of practice questions from licensees. While these opinion pieces can be useful to help explain a board statute or regulation or to offer guidance on a topic, these types of documents should be reviewed by the board's attorney or department boards and regulations advisor to ensure they don't veer outside the board's authority. Boards that offer legal guidance outside of statute or regulation run the risk of misadvising licensees and potentially nullifying the state-action immunity provided to board members when they act in good faith.

Emergency Regulations

If a threat to the public peace, health, safety, or general welfare requires immediate action, an agency may adopt an emergency regulation without first following the normal APA procedures of publishing notice and waiting for public comment. Emergency regulations are held to a minimum, however, because they take effect without the public having the opportunity to comment or receive advance notice of their effect. The agency must therefore look critically at whether (1) the public peace, health, safety, or general welfare is truly at risk, and (2) the use of the emergency regulation procedure is absolutely necessary. The agency must contact the Department of Law early on in this process to ensure that the regulations are within the agency's statutory authority and meet the emergency regulation standard set in AS 44.62.250. Before an agency may adopt an emergency regulation, an emergency finding must be approved by the Department of Law.

An emergency regulation remains in effect for no more than 120 days. If the agency does not make the emergency regulation permanent, the regulation expires and the version of that regulation in effect before the emergency regulation was adopted, if any, is automatically reinstated. Regardless of whether an agency intends to let an emergency regulation expire after the 120-day mark or make the regulation permanent, the agency must follow specific steps outlined in the *Drafting Manual*. If emergency regulations are deemed appropriate by the Department of Law, your regulations specialist, attorney, or department board advisor will walk the board through these extra steps.

Questions?

If you have any questions about this process, even if you are in the middle of a board meeting, contact the director, who may call upon the regulations specialist, agency attorney, or department boards and regulations advisor to join the conversation.

AMCO Regulations Process

Yellow sections indicate board activities. Blue sections reflect what the Director, Regulations Specialist, and other key players are doing behind the scenes to keep regulations moving forward.

1	<input type="checkbox"/> Board considers the need for regulations to be created, amended, or repealed. Staff are engaged in the meeting to help understand the board's project and provide assistance. <input type="checkbox"/> Board passes the following motions on the record: <ul style="list-style-type: none"> ○ (Required) I move to initiate a regulations project regarding _____ by approving the following language for public comment, unless substantive changes are made by the regulations specialist or Department of Law (include language) ○ (Optional) I move to approve an oral hearing to receive public comment on the proposed regulations ○ If the board wants a public notice period longer than 30 days, it should include the time frame in the motion. <input type="checkbox"/> Date of the meeting: _____
2	<input type="checkbox"/> Board completes the POQ Questionnaire or designates a board member to do so within 10
3	<input type="checkbox"/> Director or Regulations Specialist completes the second section of the questionnaire within 5 days.
4	<input type="checkbox"/> Regulations Specialist opens a file with Department of Law—LRLR: <ul style="list-style-type: none"> <input type="checkbox"/> Coordinates any questions with agency attorney or Director. <input type="checkbox"/> Coordinates with Director to establish oral hearing date (if applicable). <input type="checkbox"/> Publishes public notice for 30 days (or longer, if instructed by the board) in Alaska Online Public Notice System (OPN) and board's website. <input type="checkbox"/> Publishes notice to interested parties, including applicable licensees. <input type="checkbox"/> Following the public notice period, sends any written comments to Director for board to consider.
5	<input type="checkbox"/> Board holds a meeting to do the following: <ul style="list-style-type: none"> <input type="checkbox"/> Consider written public comment on the record at a meeting <input type="checkbox"/> If applicable, hear oral testimony and consider those comments <input type="checkbox"/> Pass one of the following motions: <ul style="list-style-type: none"> ○ I move to adopt the proposed regulations regarding ____ as noticed. ○ I move to adopt the proposed regulations regarding ____ as amended. ○ I move to withdraw the proposed regulations regarding _____. <input type="checkbox"/> Date of the meeting: _____
6	<input type="checkbox"/> Regulations Specialist completes the following documents: <ul style="list-style-type: none"> <input type="checkbox"/> Certification of Oral Hearing (if applicable) <input type="checkbox"/> Certification of Board Action <input type="checkbox"/> Certification of Changes to Regulations of the Board <input type="checkbox"/> Excerpt of board minutes reflecting the motions
7	<input type="checkbox"/> Director initiates any specific changes to forms, checklists, FAQs, or other related documents with staff, if needed as a result of the regulation.
8	<input type="checkbox"/> Regulations Specialist sends the package to Department of Law—LRLR. If substantive changes have been made by the board or by LRLR, the board holds another meeting to accept those changes and approve public notice. <ul style="list-style-type: none"> <input type="checkbox"/> Date of the meeting: _____ <input type="checkbox"/> Repeat steps 6-8 until no substantive changes are made
9	<input type="checkbox"/> Department of Law—LRLR approves for filing & submits to Lt. Governor
10	<input type="checkbox"/> Lt. Governor files regulations
11	<input type="checkbox"/> Director ensures any related changes to forms, checklists, FAQs, or other related documents are completed by effective date.
12	<input type="checkbox"/> Regulations are in effect 30 days from filing date
13	<input type="checkbox"/> Regulations are published on the board's web site, OPN, and in the Administrative Code

Rev. 6/9/2025 Note: This process does not apply to Emergency Regulations.

Board Regulation Project Opening Questionnaire

Part I: Completed by Board

- The purpose of this worksheet is to provide the agency’s regulation specialist with a detailed overview of the proposed regulation change(s), including specific information as required by statute or the Department of Law.
- This worksheet must be completed by the board during a meeting or delegated to a board member, then submitted to agency staff.
- Details should be kept brief yet comprehensive. If a section of the form is not relevant to the project, please mark it as “N/A.” Do not leave any sections blank.
- The regulation specialist may reach out to staff or board members at any stage during the project for additional information needed to compile the FAQ. The FAQ will be posted in the Online Public Notice System and on the board website during the public comment period.
- If the proposed regulation changes comprise more than one subject matter, the board must complete a separate worksheet for each subject. For example, if the intent is to (a) update continuing education requirements for license renewals, (b) repeal redundant provisions, and (c) introduce new regulations following statutory changes, the board would submit a total of three worksheets, one for each the subjects (a), (b), and (c).

Board:		Date of Meeting:	
General Subject Matter/Topic:			
Regulation(s) to be amended:			
Board member submitting worksheet:		Date to Staff:	

TO BE COMPLETED BY THE BOARD OR A DESIGNATED BOARD MEMBER:

1. Which of the following motions has the board passed on the record:
<input type="checkbox"/> Approve draft language to initiate a regulations project. <input type="checkbox"/> Approve for public comment, unless substantive changes are made by regulations specialist or Department of Law. <input type="checkbox"/> Approve an oral hearing on the proposed regulations (if applicable).
2. What will this regulation do?
3. What is the public need or reason for this regulation?

<p>4. What is the known or estimated annual cost of the new regulation to a private person or company, a state agency, or a municipality?*</p>
<p>5. How will this have a <u>positive</u> or <u>negative</u> impact on public or private people, businesses, or organizations?</p>
<p>6. If any <u>negative</u> consequences, please address the reasons why the public need for this change outweighs the negative impact.</p> <p><input type="checkbox"/> Not Applicable</p>
<p>7. List all questions and concerns you anticipate licensees or the public may raise about the proposal. Include the board's response to these concerns. Anticipate any perceptions and potential unintended consequences. <u>This information will be included on the public FAQ and is required.</u> Attach an additional sheet, if needed.</p>
<p>8. In addition to interested parties, who should receive public notice?</p> <p><input type="checkbox"/> All licensees/permittees:</p> <p><input type="checkbox"/> Certain license types (list types): _____</p> <p><input type="checkbox"/> Other stakeholders: _____</p>

* Cost information is described simply as an estimate of annual costs within the board's ability to determine due to its familiarity with the regulated community. Example: A board is proposing to require three CE credits to their continuing competency standards for biennial license renewal. The proposal requires licensees to take additional courses, so it may cost:

- A private person: \$50-\$200 per applicant/licensee biannually
- A state agency: None known
- A municipality: None known

Board Regulation Project Opening Questionnaire

Part II: Completed by Staff

Board:		Date of Meeting:	
General Subject Matter/Topic:			
Regulation(s) to be amended:			
Staff submitting worksheet:		Date to Regulations Specialist:	

<p>1. Will implementation include changes to official public forms or internal checklists?</p> <p style="text-align: center;"><i>If yes, provide a list of form numbers to the publications specialist to initiate the forms revision process.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>2. If a public hearing was requested by motion, please include complete teleconference details:</p> <p><input type="checkbox"/> Not Applicable</p>	
<p>3. Have you attached an excerpt of the meeting minutes that reflects:</p> <ul style="list-style-type: none"> • Board discussion about the proposal. • Draft language of the proposal. • Motion reflecting intent to propose the draft language, including approval for public notice if no significant changes are made by the regulations specialist or drafting attorney. 	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>4. Do you anticipate any questions, concerns, or other controversy to arise from the public or licensees regarding this regulation?</p> <p style="text-align: center;"><i>If yes, explain briefly:</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>5. Do you anticipate this regulation will increase the activity or workload of any staff member or require additional cost to implement?</p> <p style="text-align: center;"><i>If yes, explain briefly and note whether this has been discussed with management:</i></p>	

<p>6. Does this project have any companion regulations (fees, related regulations projects) in process?</p> <p><i>If yes, describe:</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>7. What is the date of the next meeting when the board plans to address regulations, if known?</p>	
<p>8. Does the change add a new license or permit type?</p> <p><i>If yes:</i></p> <p>a. Does it affect current licensees?</p> <p>b. Do current licensees/non-licensees already perform the service for which the new license or permit type is required?</p> <p>c. Is a date included in the regulation to allow for a transition period?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
<p>9. Does it affect continuing education/competency requirements?</p> <p><i>If yes:</i></p> <p>a. Does it add additional requirements or hours?</p> <p>b. Does it clarify existing regulations?</p> <p>c. Is there an effective date in the future to give licensees time to comply?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
<p>10. Does it require a fee change or a new fee in regulations?</p> <p><i>If yes, please explain, include any details about the OMB fee approval process:</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>11. Does it make changes to the qualifications or requirements of licensees/permittees?</p> <p><i>If yes:</i></p> <p>a. All licensees</p> <p>b. Only initial licensees</p> <p>c. Certain licensees (List types below)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No

<p>12. Is the new regulation required by a certain date?</p> <p><i>If yes,</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>a. What is the date the regulation should be effective?</p>	
<p>b. Explain the reason (statute change, renewal qualifications, etc.):</p>	
<p>c. Is a date included in the regulation to allow for a transition period?</p> <p><i>If yes, what date?</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

Administrative Order No. 358

I, Mike Dunleavy, Governor of the State of Alaska, under the authority of Article III, Sections 1 and 24 of the Constitution of the State of Alaska, implement this fiscal restraint and operational efficiency order to all state agencies.

BACKGROUND

The State of Alaska relies on oil production to fund a substantial portion of the state budget. In the 1980s, revenue from oil production made up nearly 90 percent of the State's unrestricted general fund revenues. Today, revenues from oil production only make up approximately 40 percent of the state's unrestricted general fund revenues.

Largely due to the Russian invasion of Ukraine, oil prices averaged nearly \$85 per barrel in FY 2024. However, in FY 2025 the Organization of Petroleum Exporting Countries (OPEC) made a series of decisions to increase oil production, thereby causing oil prices to drop. OPEC's actions, combined with aging oil fields and production declines, have negatively impacted oil revenues and therefore the state's budget. The spring revenue forecast from the Alaska Department of Revenue recently forecasted an oil price of \$68 per barrel for FY 2026. This represents an approximate 20 percent drop in the price per barrel of oil, resulting in a reduction of hundreds of millions of dollars in revenue to the State's general fund.

The State of Alaska's main savings account, the Constitutional Budget Reserve, has a balance of approximately \$2.8 billion. The Power Cost Equalization Endowment (PCE) Fund has a value of approximately \$1.0 billion. The Alaska Higher Education Investment Fund has a value of approximately \$407 million – the combined values of these accounts would not fund state operations for even one year.

PURPOSE

In light of the extensive drop in market oil prices and the projected impact on the State's budget, there is a need to take immediate and responsible action to control spending. The actions set forth in this Order are being taken to reduce the impact on available funds, to focus operations on core government services, and to streamline processes and the State's workforce towards core mission objectives.

The purpose of this Order is to announce an immediate freeze on all out-of-state travel, hiring, and new regulations packages. These actions are being taken to reduce the impact on available funds, streamline processes, and focus operations and the State's workforce on the fulfillment of the State's core mission and services. If these actions are not taken now, the State could suffer dire consequences in the future.

ORDER

General Applicability:

This Order applies to all funding sources and all executive branch agencies, including departments, boards, commissions, and public corporations (hereafter referred to as "agencies").

Travel:

Effective immediately, there is a freeze on all out-of-state travel by State employees and individuals traveling on behalf of the State regardless of funding source. Employees in out-of-state travel status as of the date of this Order shall return to Alaska in accordance with the employee's approved itinerary.

If an agency believes out-of-state travel is necessary to protect the safety of the public or to meet other essential State responsibilities, a request for waiver from the travel freeze may be submitted to the Governor's Office through the established travel-waiver request process.

In-state travel shall be used only as necessary for the conduct of essential business. Use of technology in lieu of travel is highly encouraged. If an agency fails to limit in-state travel to essential business, the Chief of Staff is authorized to implement an in-state travel ban for that agency.

Hiring:

Effective immediately, there is a freeze on hiring for all State agencies. Offers of employment that have been made and accepted as of the date of this Order are not affected by the hiring freeze, even if the employee's start date is after the date of this Order.

The hiring freeze applies to:

- All full-time, part-time, non-permanent, and seasonal positions in bargaining units and in the partially exempt and exempt service.
- Requests to establish new positions.
- Requests to extend non-permanent positions.
- Positions that provide administrative support and maintenance to the exempted agencies set forth below.

Exempted Agencies:

- The hiring freeze does not apply to positions essential to protect Alaska citizens. This category includes Alaska State Troopers, corrections and probation officers, airport police and fire officers, Office of Children Services, Division of Public Assistance, and employees that provide patient, resident, or food services at 24-hour institutions.

For purposes of this Order, the following are considered 24-hour institutions:

- Correctional Facilities
- Juvenile Justice Facilities
- Alaska Military Youth Academy
- Pioneer Homes
- Alaska Psychiatric Institute
- Alaska Vocational Technical Center
- Mt. Edgecumbe High School

Recruitments on Workplace Alaska shall remain open through the stated closing date. A notice to all applicants shall be posted on Workplace Alaska advising applicants of the hiring freeze and stating that only positions necessary to protect the health and safety of Alaskans and meet essential State responsibilities will be filled.

If an agency believes filling a position is necessary to protect the safety of the public or to meet other essential State responsibilities, a waiver from the hiring freeze may be submitted to the Office of Management and Budget (OMB). The waiver request must be submitted using the hiring request memorandum addressed to the Director of OMB and Chief of Staff and approved by the agency head.

Regulations:

In order for agencies to focus their attention on the State's core mission of providing essential services to Alaskans and maximizing operational efficiency, there is, effective immediately, a freeze on the promulgation of new regulations by all agencies. This freeze does not apply to regulations currently out for public notice.

If an agency believes a new regulations package is necessary to protect the safety of the public or to meet other essential State responsibilities, a waiver request from the regulations freeze may be submitted by the agency head to the Chief of Staff and Deputy Chief of Staff.

DURATION

This Administrative Order shall remain in effect until rescinded.

DATED this 9th day of May 2025.